



## **Good Jobs with Benefits**

### **Background**

Family-wage jobs with good benefits produce healthy families. And a strong economy is created by a healthy, productive work force. Family-wage jobs with health coverage result in a multiplier effect throughout the state and local economies. Senate Democrats support transitioning workers from fading industries to emerging, technology-oriented fields or those facing chronic shortages, such as nursing. This strategic investment in our work force pays dividends by getting workers off unemployment.

### **Solutions**

Washington has already begun to rebound. Employment in Washington is increasing faster than in the nation as a whole. We added more than 65,000 jobs in the past year, including 10,000 net new jobs in October alone. Unemployment has dropped nearly 2 percentage points compared to one year ago.

Washington had the highest increase in personal income in the country between the first and second quarters of 2004. Our earnings growth was twice the national average.

Independent studies confirm our business friendliness. Washington ranks:

- Ninth best in the nation for business friendly tax climate, according to the Tax Foundation.
- Fourth friendliest for business environment, according to the Small Business Entrepreneurial Council.
- One of the nation's 10 most business-friendly states, according to The Pollina Corporate Real Estate company, one of the top U.S. corporate site relocation experts.
- Thirty-first for combined state and local tax burdens, according to the U.S. Census Bureau. This is the lowest our state has ranked since 1981 – 30 other states have higher combined state and local tax burdens.

## **Session Victories**

### **Family leave insurance**

SB 5069 builds upon a great legacy. Because the federal Family and Medical Leave Act applies only to companies with 50 employees or more, it does not cover nearly 40 percent of all workers. SB 5069 would apply to all full-time workers, and would provide up to five weeks a year of paid leave at the rate of \$250 per week.

The 1993 federal Family and Medical Leave Act is a landmark piece of job security legislation that allows employers to take a total of 12 weeks of unpaid leave during any 12-month period for the birth and care of a newborn child; the adoption of a child; to care for a sick family member; or to tend to a serious health condition.

Rather than having to quit a job for these reasons, employees should be allowed the time they need to deal with these major life events, and ultimately return to work.

The Senate approved an amended version of SB 5069, but it was not considered by the full House of Representatives.

### **Apprenticeships**

SB 5097 puts into statute former Gov. Gary Locke's executive order requiring apprentices approved by the State Apprenticeship Council to perform at least 15 percent of labor hours on public works projects valued at \$1 million or more. Apprentices may work with both union and non-union groups.

The education and training of our work force is essential to the vitality of our state's economy. Today's apprentices are tomorrow's work force. According to the Employment Security Department, apprentice utilization is the most effective and underused training program in the state.

Both the Senate and House approved this legislation, which has been signed into law by the governor.

### **Unemployment insurance**

HB 2255 will increase unemployment benefits for seasonal workers without raising business taxes.

In 2003, the state Legislature made dramatic changes to the Washington's unemployment compensation system. Since then, lawmakers have heard from many seasonal workers who say they've been harmed by the changes. Workers in the agriculture and fishing industries in particular have seen their unemployment benefits cut significantly. They say negotiations must occur between business and labor to fix the glitch in the system. In the meantime, the Senate passed legislation to change the manner in which benefits are calculated for workers in these industries and bring them some relief.

HB 2255 sunsets in two years, providing all parties with an incentive to permanently resolve the issues surrounding season employee benefits and costs.

Both the Senate and House approved this legislation, which was sent to the governor on April 22.

### **Collective bargaining/civil service reform**

The Legislature approved the first-ever collective bargaining agreement state employees negotiated last fall with former Gov. Gary Locke, so state workers will receive a 3.2 percent pay increase in 2005, and a 1.6 percent increase in 2006 – the first increase they will have seen since 2001.

During the past few years, inflation in costs from health care to day care, mortgages and rent, car payments and gas prices has resulted in a continuous and ever-mounting pay cut. A cost of living adjustment (COLA) this year will make a world of difference in morale for our talented and dedicated state employees.

Earlier this year, the National Policy Research Council ranked Washington's government the best in the nation based on 250 different measures – with the lion's share of the credit going to our hard-working public employees.

The collective bargaining agreement is in the final budget negotiated by the Legislature.

### **Health insurance**

SB 5637 would have required all employers with 50 or more employees to contribute to the cost of providing coverage for their workers. Currently, some of the state's larger employers do not provide adequate health insurance coverage for their workers, which means many low-income workers end up covered through state health care programs such as the Basic Health Plan and Medicaid. SB 5637 did not pass the Senate.

### **Retro reform**

SB 5842 sought to set parameters on the way retro dividends are spent to further the original purpose of retro to: prevent workplace injuries; reduce claims; and lower rates for employees and employers.

Retro was *intended* to help small businesses pool their resources, share risk and collectively benefit from good workers' safety practices. Contractors and small-business owners who keep their workers' compensation claims lower than their premiums may receive a rebate of the difference from the state workers' compensation fund – minus the cost to administer the program.

Retro was *not* intended to allow third-party entities to profit from the good practices of the employees of their dues-paying members. The Legislature created the retro program to improve workplace safety – not to be a cash cow for trade associations.

SB 5842 did not pass the Senate.

### **Outsourcing jobs and taxpayer dollars**

Senate Concurrent Resolution 8407 would have studied the degree of outsourcing currently used in our state agency contracts, including its effect on state unemployment, its price on the state economy in unemployment and worker retraining costs, as well as a comparison of the effects that keeping those contracts within the state would have had on our economy. No Washington taxpayer should have to subsidize the shipment of his or her job overseas.

Not only does the practice of state agencies contracting work overseas erode job opportunities here in Washington, but it places the use of taxpayer money beyond legislative oversight.

SCR 8407 did not pass the Senate.